

Request for Bids
Uranium Lease of School Trust Lands Associated with the Tony M Mine
Section 16, T. 35 S., R. 11 E., SLB&M
Garfield County, Utah

The State of Utah, School & Institutional Trust Lands Administration (the “Trust Lands Administration”) requests bids from interested parties for the mineral lease of a 640 acre parcel of state trust lands (the “Subject Property”) associated with the Tony M uranium mine, comprising Section 16, T. 35 S., R. 11 E., SLB&M, and located near the town of Ticaboo in Garfield County, Utah. The Subject Property contains existing mine workings and significant delineated uranium resources.

The Trust Lands Administration will issue a fissionable materials lease for the Subject Property with a ten year primary term, \$1.00 per acre annual rentals, and an 8% gross production royalty. Interested parties should submit a sealed bid to be received by the Trust Lands Administration by the close of business on Friday, January 28, 2005, containing the following:

1. The bonus bid offered by the bidding party, together with a certified check for the amount of the bonus bid. In the event that the bidder wishes to pay the bonus bid in installments, the initial installment shall be enclosed. Bonding may be required for subsequent installments. The bonus bid checks of unsuccessful bidders will be returned.
2. The annual minimum royalty offered by the bidding party, expressed in dollars per acre. Annual minimum royalties may be credited against production royalties accruing during the year in which the minimum royalties are paid.
3. The transport (wheeling) fee offered by the bidding party, expressed in cents per ton, when ore from properties other than the Subject Property is transported through underground mine workings located on the Subject Property.
4. A detailed statement of the bidding party’s financial capacity and business plans for the development, mining and marketing of the uranium resource located on the Subject Property, and financial capacity to bond for the ultimate reclamation of the Subject Property.

Upon receipt of sealed bids from interested parties, the Trust Lands Administration may elect to negotiate with one or more bidders to obtain the highest long-term return to the state school trust beneficiaries. Any lease agreement will be subject to discretionary final approval by the Trust Lands Administration’s Board of Trustees. The Trust Lands Administration makes no representations or warranties as to title, utility, marketability, presence or absence of mineral resources, condition of improvements or environmental condition of the Subject Property.

For further information concerning the Subject Property and/or this Request for Bids,
please contact:

Will Stokes

801-538-5153

wstokes@utah.gov

Utah School & Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102.